

Minutes of the Veneta City Council

September 14, 2009

Present: Mayor Sharon Hobart-Hardin, T. J. Brooker, Darrell Carman, Marion Esty, and Sandra Larson

Others: Ric Ingham, City Administrator; Brian Issa, Community Services Director; Jerri Moore, Finance Director; Kyle Schauer, Public Works Superintendent; Sheryl Hackett, City Recorder; Zac Moody, City Planner; Darci Henneman, Assistant City Recorder; Carl Sherwood, Robertson/Sherwood Architects, Joan Mariner, and Ephraim Payne, West Lane News

Mayor Sharon Hobart-Hardin called the Veneta City Council to order at 7:01 p.m.

1. PUBLIC COMMENT

None

2. CONSENT AGENDA

MOTION: Darrell Carman made a motion to approve the Consent Agenda as presented. Marion Esty seconded the motion.

Vote: Marion Esty, aye; Darrell Carman, aye; Mayor Hobart-Hardin, aye; Sandra Larson, aye; and T. J. Brooker, aye.

The consent Agenda as approved included minutes for August 10, 2009, bills paid and payable for August, 2009 and the Public Works Activity Report for August 2009 and a homecoming parade permit application from Elmira High School.

Mayor Hobart-Hardin changed the agenda order to allow Ric to follow Kyle Schauer's pool bid award with the pool funding alternatives. She felt these two topics should be discussed at the same time.

3. DEPARTMENT REPORTS

a. FROM MAYOR/COUNCILORS

Marion Esty said she will be attending the Open House at the Garcia Center tomorrow, September 15, 2009, to solicit and encourage volunteers and fundraising efforts for the new Service Center.

Mayor Hobart-Hardin attended the Workforce Partnership awards last month. Many of the participants already had established businesses and were interested in expanding their companies. She said it was a good opportunity to make people aware there are still jobs to be found. She also attended a meeting with Ric and the Fern Ridge Chamber of Commerce to discuss local tourism.

Sandra Larson said the Fern Ridge Faith Center made a \$300 donation to the pool. A brick was sold at the Escape Run but total proceeds from the Run are still unknown. Dr. Dean spoke briefly at the pool meeting about organizing a capital campaign and answered many questions. Sandra and Zac Moody attended this year's Ford Family Foundation leadership class over the weekend.

T. J. Brooker attended the skateboard event a couple weeks ago which had a positive turn out from community members as well as many people from Eugene.

b. COUNCIL/COMMITTEE LIAISONS

4. STAFF REPORTS

a. PUBLIC WORKS SUPERINTENDENT.....KYLE SCHAUER

- (1) Pool Bid Update/Notice to Proceed (Carl Sherwood)
Carl Sherwood of Robertson/Sherwood Architects (RSA) briefly discussed the construction bidding process for the pool. He said the bid went out in early August and the bids were opened on September 3, 2009. We received 12 qualified bids from the 18 companies that picked up plan sets. RSA encouraged the City to fund as much of the project as possible because costs are never likely to be lower than the bids received. The average bid amount was \$2,400,000 with a high bid of \$2,800,000 and a low bid of \$2,300,000. After evaluating the bids, Payne Construction, Inc. (PCI) was the lowest qualified bidder. Their references gave them high marks for project management, experience and project results. RSA recommended that, if it's not possible to fully fund the base bid of \$2,310,000 the City may want to deduct the multi-use pool (kiddy) (\$110,000); outside restroom (\$25,500) and the spa pool (\$65,000) for a total of \$197,500, bringing the pool cost down to \$2,112,500. The cost of the pool tie-down system was not listed as a separate item in PCI's bid. Carl Sherwood suggested some additional credit may be determined if we chose to omit the tie-downs. Omitting the tie-downs does not effect PCI's position as the lowest qualified bidder. He felt the pool-tie downs are somewhat redundant. A 5% contingency and "soft costs" such as permits and furnishings are not included in the bids. The "Notice of Intent" was sent out Friday, September 11, 2009 and will expire September 18, 2009, giving the other bidding contractors seven days to "protest the intent" to award the bid. At that time a "Notice to Proceed" will be sent to PCI. Mr. Sherwood said the contractor is anxious to get started. The contract is ready to be signed and he anticipated receiving the contractor's bonds and certificates of insurance by the end of the week. PCI will then have 242 days to achieve substantial completion of the project; roughly September 15 to May 15, 2010. Completion date is scheduled for mid-May 2010 in order to be ready for the 2010 summer season.

RSA recommended the City Council award the project to Payne Construction, Inc

b. CITY ADMINISTRATOR.....RIC INGHAM

- (1) Funding Strategy for Construction of Swimming Pool

At the August 9, 2009 Council meeting staff brought forward a Pool update memo which Ric provided to the Council. The memo outlined a funding strategy that would allow the City to begin construction activities this fall with the intent to have a functioning pool by the 2010 summer season. The proposed funding strategy assumptions are still the best route if the Council wishes to capitalize on the low bids received. Staff is still recommending that we eliminate the multi-use pool, the spa and the outside restroom at a savings of \$197,500. Staff estimates the "soft costs" and contingencies will create a \$525,000 funding deficit. To address the deficit, staff made the following recommendations: 1) Allocate an additional \$175,000 from the Recreational Facilities Capital Construction Account (Parks SDCs) leaving an ending balance of \$275,000; 2) Allocate \$50,000 from the Parks & Recreation Fund (Park Fund); 3) Allocate \$50,000 from the General Fund; 4) Set up an internal five-year \$125,000 loan to the Pool project with the initial payments to be made from the interest accrued on the Recreational Facilities Capital Construction Account (Parks SDC). This debt could be retired earlier if fundraising goals meet the earlier projection. Other potential debt retirement options would be to sell existing parkland assets or implementation of a

park fee/surcharge; and 5) Develop a fundraising plan with a goal of raising \$125,000. The first step would be to hire a local fundraising expert (Dr. Dean) who would provide a fundraising analysis and a fundraising plan.

Carl Sherwood pointed out the bids expire in 60 days. It is the opinion of staff and RSA that these low construction bids are not likely to be seen again. By waiting to raise the needed funds, any cost savings with the current bids could be lost. Waiting to re-bid the project in the spring or fall of 2010 could see a cost increase of up to \$100,000.

In response to a question from Darrell Carman, Ric said the cost to hire Dr. Dean to assist in the decision of whether or not we need outside fundraising assistance would probably be a couple thousand dollars.

T. J. Brooker said we cannot wait until we have the money to proceed with the pool. He was concerned about using Urban Renewal Agency funds in the midst of the downtown projects that are just getting started.

Sandra Larson said we should focus much of the fundraising on larger donors and not asked City residents to put forth more money.

Darrell Carman suggested naming the pool facility after a major donor. In hindsight he felt the City should have proposed a higher bond measure but residents may not have supported it.

Marion Esty felt many local families will be responsive to donations and the City should move forward with the pool construction.

Mayor Hobart-Hardin recommended the Council direct staff to proceed with the recommendations. She felt it was the City Council's responsibility to make the fundraising contacts and request donations to raise the \$125,000 shortfall and suggested securing a professional fundraiser. She said a new pool is a City amenity to offer existing and future residents.

Staff recommended the Council approve the Funding Plan presented by staff and release of the Notice to Proceed to Payne Construction, Inc.

MOTION: Darrell Carman made a motion to direct Carol Sherwood to draft the Notice to Proceed to Payne Construction, Inc. and award the contract to Payne Construction, Inc. Sandra Larson seconded the motion which passed with a vote of 5-0.

MOTION: Sandra Larson made a motion to support the Funding Plan as presented including possibly hiring a temporary fundraising consultant. Darrell Carman seconded the motion which passed with a vote of 5-0.

Ric suggested holding a Council Work Session with Dr. Dean to provide the Council with Funding Plan strategies. The Council agreed it should be soon. The Work Session was tentatively set for Monday, September 28, 2009.

In response to Sandra Larson that the pool committee should be included in the work session, Ric said the work session should be held after 5:00 p.m.

Ric said RSA will negotiate with PCI on whether they will give us some kind of offset or credit, possibly \$40,000 to \$50,000, for the pool tie-downs not being listed separately in their bid. If PCI is unwilling to offset the tie-down costs we will require the tie-downs to be installed.

In response to a question from Darrell Carman, Kyle said the existing pool had been empty only two times in the last 18 years. The Public Works crew was in the process of replacing the inoperable hydro static relief valves, that direct groundwater away from the pool, when a major storm hit, causing the pool to pop out of the ground in November, 2006.

Carl Sherwood said another option is to use a perforated drain and pump system to pump water away from the area. Today's pools are designed with fail-safes that make the tie-downs somewhat redundant. However, given the soil reports, the tie-downs may be necessary. He suggested waiting to see if PCI is willing to offset the cost of the tie-downs. He reminded the Council that PCI's bid was also \$114,000 lower than the next bid.

In response to a question from T. J. Brooker, Ric said he would look into the possibility of the tie-downs creating a cost savings to the City's insurance premiums.

c. PUBLIC WORKS SUPERINTENDENT.....KYLE SCHAUER
(2) Water System Update

Kyle provided an update on a few of the water system projects the Public Works Department has been working on and the outcome of some of those projects. Well 12 was completed in early July and has been providing 200 gallons per minute (gpm) of very high quality water. The quality of the water allows public works to bypass the treatment plant and go directly to the East Broadway reservoir. Much of the metering and monitoring equipment has been updated in hopes of getting a more accurate reading on water production. New meters have been installed on Well 9 and 10 and the meters on Well 4 and 11 have been recalibrated. An electronic static level monitor has been installed on Well 4 and the same has been ordered for Well 9. Wells 10, 11 and 12 already have the monitor. These upgrades will accurately monitor the production of each well and how the pumping is affecting the aquifer around each site.

The meter on Well 9 was replaced after it was discovered it was registering incorrectly. A build up of iron within the meter channel and on the veins of the meter was forcing the meter to register significantly higher than the well was actually producing. The new meter is registering the water production of Well 9 at 300 gpm rather than the 550 gpm the previous meter indicated. It was assumed that the decrease of actual pumping occurred over time and that Well 9 had not been fully utilizing the water rights for several years. The pumping equipment on Well 9 was scheduled for replacement this year and the new pump should be installed in the next few weeks along with the static level monitoring equipment. At that time Well 9 will be pump tested at 550 gpm, hopefully delivering at the level of water rights. The aquifer and the Treatment Plant will be monitored in order to make any needed changes to optimize the treatment of the higher rate of flow.

For the last few years, several weeks during the summer the peak demand would

exceed peak production. When this occurred it would take a couple of weeks for the Broadway Reservoir to recover. With the addition of Well 12 demand was less than production. The system was able to recover during the overnight off peak hours; even though Well 9 was not producing the 550 gpm the pump was registering. If Well 9 can produce 550 gpm, we could have an additional 250 gpm available. This is important as we continue to evaluate the City's future water need, source alternatives, and the timeline for implementing projects outlined in the recently completed and approved Water Master Plan (WMP).

The City has contracted with GSI Water Solutions, Inc. to assist the City with developing a Well Exploration program. They will audit the existing data on the City's wells and possibly recommend collecting more data to accurately locate additional well sites. They will also develop a Groundwater Flow Model used to define the aquifer and to determine any interference between existing wells. They will assist in selecting new sites and the installation of one to three test wells within the next year.

The WMP indicates the City's existing water supply sources will not be adequate to meet all future water demand. The WMP calls for the City to immediately investigate additional water supply sources, which we are doing by working with GSI. The potential to have an additional 250 gpm from Well 9 may allow the City to alter the timeline outlined in the WMP and allow more time for water source investigation. At this time the existing water system is working very well and continues to provide safe, clean water in adequate quantities to meet the City's needs.

In response to questions from T. J. Brooker, Kyle said there was no indication the inaccurate production reading on Well 9 was occurring or anyway to monitor it. Public works staff was re-calibrating the meter when the discrepancy was found. Kyle said we don't know if Well 9 will produce more than 550 gpm but if so, we only have water rights for 550 gpm.

d. COMMUNITY SERVICES DIRECTOR.....BRIAN ISSA
(1) USDA Pipeline Grant

Brian said the recently adopted Water Master Plan states existing sources may not be adequate for a full build-out over the next 20 years and the Groundwater Exploration Plan may not be adequate for long range planning. The funds being spent on well exploration and drilling may not be cost effective for the amount of growth we're anticipating and may prove we cannot meet the demands of our growth rate with ground water only. EWEB and the City conducted a study of their west Eugene capacity to provide bulk water sales to Veneta. This was a 14 million dollar project. Brian said the American Recovery and Reinvestment Act (ARRA) resulted in new money becoming available from the United States Department of Agriculture (USDA) Rural Development in the form of grants and low interest loans. After meeting with the USDA representative, staff is recommending the City submit a project application for the proposed 14 mile water transmission pipeline between EWEB and the City of Veneta. Grant awards for this type of project could be as high as 45% (of the total project cost) with the remaining project costs being funded through low interest USDA loans. Submitting the application in no way commits the City to the project but if successful, could substantially reduce the cost of the project thereby changing the cost benefit analysis of continued groundwater exploration versus bulk water purchasing.

Brian provided a spreadsheet showing the current estimate of the project cost including interim and long term financing. Staff is currently at the pre-application phase and, if directed by Council, will continue to work with the USDA representative to submit a formal application soon. If successful, the awarded funds would need to be committed to the project by September, 2010.

Staff requested direction from the Council to submit the application to USDA-RD for the EWEB pipeline project.

Mayor Hobart-Hardin said this is a wonderful opportunity for Veneta and recommended staff submit the USDA-RD application.

In response to questions from Darrell Carman, Kyle said the water will not need to be treated and could be pumped directly to a reservoir.

Ric said the application needs to be awarded and funds expended by September, 2010 but if awarded the City could have two to three years to complete the construction project. The environmental analysis is required with the full application which should be submitted within the next two months. Project engineering does not have to be done until after the award is made. Many of the upfront costs are reimbursable.

MOTION: T. J. Brooker made a motion to direct staff to submit the USDA-RD Grant application. Sandra Larson seconded the motion which passed with a vote of 5-0.

(2) Consideration of Systems Development Deferral Incentive

Brian said the City has had two requests to adopt a policy for a temporary deferral of System Development Charges (SDCs) as an incentive for development during these slow economic times. The cities of Springfield and Florence have adopted similar measures. A builder wishing to defer SDCs would be required to enter into an agreement authorizing the City to withhold setting a water meter and/or removing a water meter from the property for which a deferral has been granted until the deferred charges have been paid in full. This would be an alternative to placing a lien on the property. Staff suggested, if interested, the Council could offer temporary deferrals on residential and commercial building permits through December 31, 2010 and that the number of deferrals be limited for any single developer at any one time.

Marion Esty felt it was a good idea.

Sandra Larson suggested shortening the timeline to July 1, 2010. However, the Council agreed that because construction peaks in the summer months the deferral program should continue until December 31, 2010.

Mayor Hobart-Hardin suggested staff draft an ordinance.

In response to a question from T. J. Brooker, Zac said the building inspector (not the City of Veneta) issues the Certificate of Occupancy (C of O) for commercial construction, which the City could request the C of O not be issued until the SDCs are paid.

MOTION: T. J. Brooker made a motion to direct staff to draft an ordinance for a temporary deferment program for System Development Charge (SDCs) on residential and commercial development. Darrell Carman seconded the motion which passed with a vote of 5-0.

- c. CITY ADMINISTRATOR.....RIC INGHAM
(1) Visitor Readiness Implementation Plan

In 2009, Total Destination Management (TDM) created a Visitor Readiness Report (VRR) to recommend actions to increase tourism performance throughout the Fern Ridge area. After review, the City and Fern Ridge Chamber of Commerce prioritized and refined the report recommendations and assigned specific actions and activities. An initial Fern Ridge Visitor Readiness Implementation Plan Committee (IPC) was formed including Kari Westlund, Tabitha Eck, Ric Ingham, and Maggie Tallmadge. With the formation of a Joint Tourism Sub-committee between the City and the Chamber, Mayor Hobart-Hardin was added to the IPC. Staff is requesting the Council approve the prioritized actions or suggest changes in order for the Tourism Sub-committee to assign an appropriate budget and timeline for each action.

Joan Mariner stated that she was involved in the branding process from the beginning and the "Inspired by Nature" was the best choice.

T. J. Brooker would like to see more of the tourism dollars earmarked for updating the Chamber website.

Mayor Hobart-Hardin said the high priorities will be the basis for the application submitted to Lane County for the Rural Tourism grant funds.

MOTION: Sandra Larson made a motion to adopt the proposed Visitor Readiness Implementation Plan and the high priorities outlined. Darrell Carman seconded the motion which passed with a vote of 5-0.

- (2) Christmas Tree Update & Options
Ric informed the Council that the living Christmas tree at the south end of the Ray's Shopping Center has died. The soil in the area is poor and a decision needs to be made before the Christmas parade to either plant another live tree or insert a "sleeve" for placing an annual cut tree.

Decker's Nursery provided the existing tree but it is very expensive to rent the spade to dig an adequate hole for a large tree. The closest spade to rent is in Salem at a cost of roughly \$800.

After a brief discussion it was the consensus of the Council to install a "sleeve" for a cut tree for Christmas 2009 and possibly relocate the Christmas tree to a more suitable growing location and plant a smaller tree that would have a greater chance of survival.

5. OTHER

Ric reminded the Council of the West Lane Cities Alliance dinner meeting in Junction City on September 29, 2009 and asked who would be attending.

Mayor Hobart-Hardin, Ric, Marion Esty and possibly Sandra Larson will attend the dinner.

Mayor Hobart-Hardin, Sandra Larson and Ric will be attending the 2009 League of Oregon Cities Conference October 1 – 3. The Council designated Mayor Hobart-Hardin as the voting delegate at the Conference.

A letter to Mayor Hobart-Hardin and City Administrator Ric Ingham was received September 1, 2009 from Russ Burger, Lane County Sheriff, and Alex Gardner, Lane County District Attorney, requesting assistance in creating a citizen task force. A response to the letter was required by September 8, 2009. Staff responded that the City was more than willing to participate in the program. However, we needed more lead time to take the issue to the Council. Ric indicated he has yet to hear back if they still need delegates.

Brian said an open house on the East Bolton local improvement district will be held in early October, 2009. Staff has received the draft engineer's report. The open house will provide basic background information to property owners and provide an opportunity to answer their questions. Staff anticipates bringing a full report to the Council at the October 12th meeting and holding a public hearing at the second Council meeting in November.

In response to a question from Darrell Carman, Jerri said two or three property owners on Bolton Hill Road chose to defer a portion of their assessment.

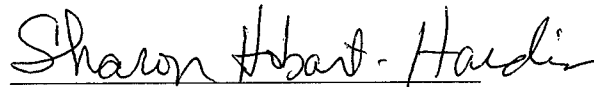
Brian indicated the R.A.R.E. student selected by the City has accepted employment with the City of Molalla as their Downtown Director. The R.A.R.E. program will specifically advertise for a replacement and the position will continue for 11 months from the date of hire.

The Planning Commission completed their review and approved the code updates to go before the Council. Some of the updates include architectural specifications for the downtown area and a recommendation to the Council to extend a blanket timeline to give developers additional time outside the normal extension process. The next step is for the Council to hold public hearings in October.


Brian said the pool committee has not chosen a vendor to provide the commemorative bricks for pool fundraising but the brick order forms are in the lobby of City Hall and on the City's website.

6. ADJOURN

Mayor Hobart-Hardin adjourned the City Council at 9:06 p.m.


Sharon Hobart-Hardin, Mayor

ATTEST:


Darci Henneman, Assistant City Recorder
(minutes prepared by DHenneman)